E-BULLETIN Telecommunications

#23. Friday, 12 December 2014

1. Overtime or emergency duty? CWU and Telstra in dispute

The CWU has notified the Fair Work Commission (FWC) that it is in dispute with Telstra over its calling employees back to work after ordinary hours.

Telstra Global Operations Centre: the CWU believes employees called back to work after hours are not receiving their proper entitlements.

The particular incidents relate to the Global Operations Centre (GOC) in Melbourne. But the issue potentially affects all members who are asked to return to work to perform unscheduled duties.

The current Enterprise Agreement (EA) only allows employees to be recalled to work, without prior notice, in two circumstances – either under the Emergency Duty provisions or under Essential Customer Servicing arrangements.

Emergency Duty is paid at a rate of 200%.

In the case of Essential Customer Servicing there is a schedule of payments made to staff who make themselves available for recall.

Then if they are actually recalled ordinary overtime rates apply.

Telstra management appears to be trying to avoid paying either of these entitlements and are just paying employees ordinary overtime rates.

The CWU considers this to be a breach of the EA. Any other members encountering the same problem should report it to their state branch.

Members will be kept informed of progress in the case.

2. Know your rights: Telstra end of day arrangements

The CWU has received a number of queries from members about end of day procedures.

It appears that in some areas system changes are being introduced which could be contrary to the current Enterprise Agreement. These changes could require CT's to remain on the job until the end of their shifts even if they are working more than 30 minutes away from home (the maximum unpaid travelling time).

This would effectively mean they were doing unpaid overtime.

The CWU is currently following up this issue. In the meantime, members should be clear about current entitlements.

If an employee is undertaking a last job at a location that is, say, 45 minutes away from home, Telstra managers have two choices.

They can either allow the CT to leave the job early so as to allow for the extra 15 minutes travelling time or they can pay the 15 minutes as overtime (assuming the CT finishes at the usual time).

The current Enterprise Agreement is clear on this point. Members are referred to the end of day procedures clause at page 36 which states:

> Where travel will exceed this [30 min] travel time the employee should contact their supervisor/Work Management Centre as necessary due to local circumstances, to seek direction on whether they should leave early or overtime should be worked.

Any arrangements which require employees to work unpaid overtime are a breach of the Agreement and should be reported to the union immediately.

3. Full Bench to consider Telstra modern award

Discussions with Telstra about the content of a new modern award have at last been finalised and a date has been set for the matter to go to the Fair Work Commission.

The application for the Telstra Award 2014 will be heard by a Full Bench on Wednesday 17 December in Canberra.

The content of the award has been agreed upon by Telstra and the relevant unions – CWU, CPSU and APESMA – after nearly two years of discussions and, recently, eight conferences chaired by Commissioner Lewin.

Commissioner Lewin has had a long involvement with the Telstra awards and was able to offer guidance about the modernisation process while not himself being part of the Full Bench that will hear the application.

The Commissioner's strong advice was to reach agreement on as many matters as possible rather than inviting the Commission to determine them.

With this advice in mind, the unions have negotiated a package which removes some seldom-used or obsolete provisions (such as the 34 hour week for Operators) but which preserves most core award entitlements in areas such as hours of work, leave, overtime payments and penalty rates.

If approved, the new award will provide a much stronger safety net for bargaining than the modern industry award which, as E-bulletin readers will remember, Telstra initially wanted to adopt.

The CWU successfully opposed that move. It is now up to the Commission to determine whether the content of the modern award will reflect Telstra employees' strong views in favour of retaining their current award conditions.

Members should be aware, however, that whatever the Commission's decision is, it will have no immediate effect on conditions. These are protected by the Enterprise Agreement (EA). The new award will only become relevant – as a safety net – when the next round of EA negotiations begins next year.

4. NBN Co negotiations resume

Enterprise Agreement discussions with NBN Co have resumed after a considerable pause during which the federal government appears to have tried to impose its public sector wage policy on the company, with mixed results.

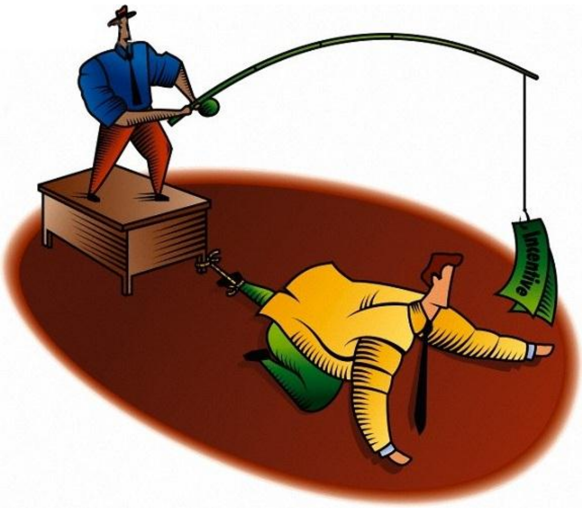
CWU officials met with NBN Co representatives on 9 December to discuss the company's position.

Basically NBN Co is proposing there be no major changes to the entitlements provided for in the existing NBN Co and CEPU Technical Employees Agreement, with the new agreement to last at least 3 years.

So it is not seeking the "productivity offsets" (i.e. cuts to conditions) that the federal government is demanding from public sector employees.

What is does want, though, is to move to a performance-based pay system, while restricting overall wage rises within that system to around CPI.

So some employees would get a real wage increase (above rises in the cost of living) and some would get less. This is presumably being proposed with an eye to the government's "productivity" policy.



NBN Co wants to move to a performance-based pay system.

The CWU does not oppose the inclusion of some form of performance component in employees' total pay package. It does, however, believe that all employees are entitled to a uniform pay rise that at least preserves their real wage levels (i.e. keeps pace with CPI increases).

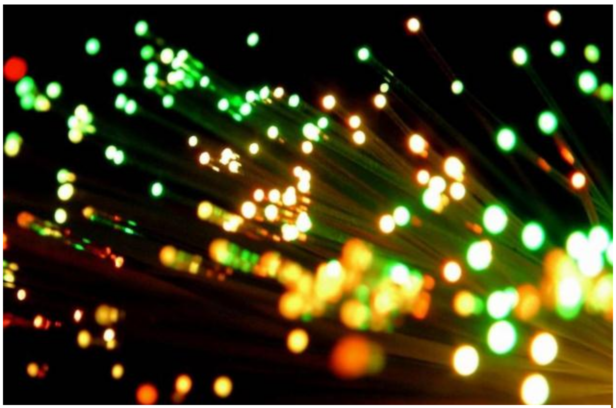
The CWU has conveyed this view to NBN Co. Negotiations resume on 18 December.

5. Government responds to Vertigan inquiry recommendations

The federal government has released its response to the Vertigan inquiry which looked at the regulatory arrangements for the NBN.

The government will abandon the monopoly model for the NBN – already under pressure from TPG – and with it the uniform wholesale pricing that monopoly allows.

Carriers will be allowed to compete with NBN Co where and when they wish to do so, but they will have to accept functional separation (i.e. operating their wholesale business under a separate company structure) and regulated wholesale prices.


Other carriers will be able to offer superfast broadband in competition with NBN Co.

NBN Co itself will also have its prices regulated (by price caps) but will not have to offer the same price for urban and rural wholesale services.

It will be able to lower its prices to meet competition where it appears –typically in high density metropolitan markets such as those already being targeted by TPG.

The effect of this will be to reduce NBN Co's ability to cross-subsidise rural and regional areas. The government's answer to this is to require a contribution to those subsidies from other fixed broadband providers.

This is basically the model which applied to the delivery of the Universal Service Obligation (USO) after the end of the Telecom monopoly. E-bulletin readers with long memories will know that it was the source of endless arguments between Telstra (the USO provider) and the rest of the industry about the actual costs of the USO. Get set for a re-run of these arguments as the NBN comes into fuller operation.

The government will also require the different elements of NBN CO – the wireline, fixed wireless and satellite networks – to keep separate accounts.
Vertigan recommended that the government consider spinning off these operations into separate companies in the interests of competition. The government rejected this move in the short term, but is clearly laying the basis for it further down the track – either prior to or at the time of privatisation.

The new regulatory regime is scheduled to come into effect fully at the beginning of 2017.

6. More telco workers needed says industry group

Australia is facing a shortfall of up to 7,000 telecommunications workers, according to a newly formed industry group.

The Australian Digital and Telecommunications Industry Association (ADTIA) says the extra workers will be needed to complete the NBN roll-out as well as to meet demand in growth areas such as video and triple-play services.

There is a shortage of trained workers in the telco sector.

According to ADTIA industry and operations manager Gabriel Giofre, the organization is aware of immediate vacancies for around 450 workers in areas include cabling and line work, civil contracting, splicing, premise installations, mobile tower construction and planning and design.

However, the industry is currently experiencing rapid growth and ADTIA believes more needs to be done to ensure the future skills demand is met. The problem is heightened by the fact that the average age of the current telecoms workforce is around 40.

The existence of telecoms skill shortages, especially in relation to the NBN roll-out, is not a new issue but to date not enough has been done to quantify the extent of the problem or work out how to solve it. Over the first phase of the NBN roll-out, NBN Co and its contractors resorted to offshoring certain functions (design) and engaging 457 visa workers on construction. Meanwhile, local youth unemployment levels continue to rise.

ADTIA says it intends to produce a detailed workforce needs study early next year. It is to be hoped this helps focus the government's mind on how the local telecoms workforce can be renewed and expanded to meet the growing needs of the sector and the community at large.

7. ACMA EA stalemate continues

Negotiations for a new Enterprise Agreement (EA) at the Australian Communications and Media Authority continue to be hamstrung by the federal government's public sector pay policy.

Across Commonwealth agencies and departments, workers are being asked to accept loss of conditions AND real wage cuts as part of new agreements.

Needless to say this has not proven to be an attractive offer and to date no new agreements have been reached, except with the armed forces whose members have no say in the matter.

It now seems unlikely that there will be any significant movement in the ACMA negotiations before the end of the year. Members will be kept informed, however, of any progress.

8. Telstra increases mobile market share

Telstra has further extended its lead over its rivals in the mobile market, according to the latest figures.

The most recent Australian Communications and Media Authority (CMA) report shows Telstra provides some 52% of Australian mobile services, up 3% over the last 12 months.

Optus' market share remained steady at 31%, while Vodafone's share dropped 3% to reach 17% at June 2014.

Telstra's growth largely reflects the rapid take-up of 4G services, with Telstra's 4G customers increasing by 86% over the period to bring the total number of 4G devices using its network to 5.2 million.

The number of services on Telstra's 4G network grew by 86% over the last financial year.

And Optus reported even higher growth, although from a lower base. Its 4G subscriber numbers rose 124% to 2.4 million at the end of June 2014.

Analysts are expecting that Optus and Vodafone will claw back market share from Telstra through their own 4G offerings.

But much here will depend on the quality of each company's networks, including their backhaul and core capabilities.

With Australian mobile download volumes doubling over the last 12 months, the prize will continue to go to those providers whose networks can cope with a continuing and rapid escalation of demand. The question is how much Optus and Vodafone are willing to invest to go head-to-head with Telstra in this area.

9. Global wage report: productivity up, wages down

Wages of workers in most advanced economies have stagnated over the last two years, according to the International Labour Organisation (ILO).

Union members in the US campaign to raise the minimum wage.

The ILO's Global Wage Report released last week shows that wages globally rose by 2% over 2013. And if China is taken out of the equation the rise is only 1.1%.

The average for the more developed economies was close to zero, with many suffering real wage declines. In Greece, Ireland, Italy, Japan, Spain and the United Kingdom average real wages in 2013 were below their 2007 level.

At the same time, though, productivity is increasing.

According to the report "overall, in the group of developed economies, real wage growth lagged behind labour productivity growth over the period 1999 to 2013."

In other words over this 14-year period, the share of national income going to working people has declined, while the share of national income going to financiers and corporations - a tiny minority of the population – has steadily increased.

Policies adopted internationally after the Global Financial Crisis, including the austerity measures imposed on countries like Ireland, Italy, Spain and Greece have accelerated the trend.

The Abbott government is also trying to go down the wage reduction road – a strategy that can only lead to rising inequality and the dead end of falling consumer demand. That in turn brings lower levels of production and higher unemployment.

10. Xmas has (almost) come

This will be the last regular E-bulletin for 2014 so it is time for us to send our traditional greetings – and warnings – to members.

Warnings first. The staff end-of-year party can end in tears.

Members are reminded that truth-telling to management, along with other high spirited behaviour, can result in disciplinary action – the last thing that anybody wants at this stage of the year (or indeed any time).

On a more positive note, the E-bulletin congratulates members who have made it through another year of performance management, GPS monitoring and other trying features of the modern workplace.

We wish you a festive and renewing end-of year break.

The regular E-bulletin will appear again in late January. In the meantime, check the CWU National website for special updates.

Download our CWU phone app

We welcome your comments and contributions –
send us an email and let us know what you think via cwu@cwu.org.au
Check out our webpage at www.cwu.org.au

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